



Seizing on New Opportunities with Advanced Restaurant Communications

A White Paper by Vertical

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As chain restaurants seek to improve margins in a challenging economy, they are increasingly looking at ways to bring more customers into their restaurants. That could mean emphasizing their banquet and catering services, improving or adding take-out capabilities, installing computerized ordering systems or high tech kitchen equipment to handle the growing demand. Often neglected in the mix of initiatives in this area has been the restaurant's telephone system. Today it is possible to significantly improve the experience both of callers to a restaurant, and customers *at* the restaurant, with new call handling techniques. This "intelligent customer service"—with automated answering and intelligent call routing, within restaurants—is built on a variety of smart business processes that result in higher staff efficiencies, greater management visibility into processes, and better overall use of resources.

Executive summary

In previous years, a full dining room was what most restaurants strived for. In today's restaurant environment though, "all full" is not enough. Restaurants are increasingly looking at new strategies to increase revenues and bring in more business, even when the tables cannot accommodate more people. That means expanding their banquet and catering services, adding new carry-out capabilities, improving efficiency of wait and kitchen staff to turn tables quicker, and adding new technology that helps with all these new services.

Often overlooked is how the phone plays into these new strategies. Restaurants need a system that can support and promote those strategies as well as handle the increasing demand.

Today, thanks to significant technology advances, new cost-effective, integrated restaurant communications solutions exist that can improve the customer experience and help restaurants be more productive. In addition to intelligently sorting and routing incoming calls, such solutions offer comprehensive and automatic reporting features, which give restaurant executives highly detailed information on the nature of these calls, including caller behavior and how well their restaurants are handling the calls. This enables management to better understand and quickly respond to customer patterns. The results are not only increased volumes, but also a dramatic containment of costs through better use of resources.

The restaurant business today

Over the past decade, the restaurant chains have looked for ways to increase the number of patrons to their restaurants, without the expense of building new restaurants. Restaurants are limited by the number of tables and dining hours. Thus, chains are looking for ways to increase the number of customers they can serve with an already busy dining room. One obvious solution, which the public has embraced, is the emergence of carry-out. Some chains are seizing on this opportunity, adding special windows and reserved parking spaces strictly for pick-up. Many have even built kitchen spaces specifically to handle carry-out.

Partly due to the quickening pace that technology has introduced into our daily routines, we seem to have less time in our busy lives, rather than more. Long work hours, long commutes, both parents in the workforce mean less time to spend with family, less time to shop, and less time to cook. Many health conscious adults are more apt to bring home dinner from their favorite restaurant rather than a fast food establishment. But that means calling in the order. If customers get a busy signal, they'll often call their next favorite restaurant.

New environment, New challenges

Finding ways to bring in more patrons—and improve margins, of course, at the same time—is the challenge of today's restaurant executives.

Historically, there have always been two paths to improving profitability: by gaining operational efficiencies in business processes that lead to specific savings—for example, by improving inventory management through greater network integration of restaurants and corporate headquarters; and by increasing volume—through the repeat customers and referrals that result from quality food, efficient service, and convenience.

It is in the second of these areas—increasing volume—that chain restaurants have traditionally made major investments of time and resources. The success of a restaurant chain is, after all, significantly tied to corporate branding: customers expect a consistent experience at every one of the company's restaurants. That's why chain restaurants have invested significantly in enhancing the dining experience. They've trained employees on service and efficiency. They've made improvements in layout and decor, creating a festive atmosphere that

makes diners want to return. They've improved kitchens in order to keep up with increasing demand. Technology has replaced the pen and paper that wait staff used to take orders with, which improves efficiency and turns tables quicker. All of these efforts are designed to positively affect the disposition of diners and enhance the dining experience.

Chain restaurants are now beginning to realize impact the telephone has on the customer experience, both in the restaurant and over the phone.

Business communications issues

At many restaurants today, the phone rings first at the host station. Since the majority of calls come in during the dining hours, harried host staff must answer and give directions, take reservations, track people down, take messages, or transfer calls. That means time taken away from helping patrons waiting to be seated.

Some restaurants have a dedicated phone line for carry-out, but with only one or two lines, callers may get a busy signal when they call at prime dinner hour. Or often callers are forced to wait on hold. A third option, host staff must take orders, drawing their attention away from in-restaurant patrons.

Banquet managers, who are usually on the phone for long periods, often don't have voicemail. Catering departments may not be located in the restaurant which means calls cannot be transferred. Callers are given another number to call.

Enhanced visibility

Despite this difficult reality, the largest problem facing today's restaurant managers regarding their phone system is that they often don't realize there's a problem. How many calls come into a restaurant each day? Are most of these calls for a certain department? What time of the day do most calls come in? How many callers get placed on hold—and for how long? How many callers hang up?

It's likely that most restaurant executives today can't answer these questions. But those answers are critical for determining a baseline from which to build appropriate solutions. What's needed are clear, concise reports offering managers a "big picture" enterprise view of customer interactions with local restaurants, response rates to marketing initiatives, and network resource utilization. This new visibility into restaurant communications transforms data into actionable business intelligence and analytics that can empower restaurant managers to make better strategic and operational decisions, including adding powerful queuing and routing capabilities to their call handling system.

Tracking peak calling times and call abandonment patterns, for example, can clarify staffing requirements, as well as identify maximum hold intervals and appropriate music or messaging during those holds. Monitoring call handling and queue statistics can lead to greater employee productivity, while identifying callers through voice recognition can boost customer loyalty. Linking caller activity reports to advertising campaigns can indicate where marketing dollars are best spent. And analyzing trunk traffic and network utilization at each restaurant—and across all restaurants—can optimize the facilities infrastructure.

New communications solutions for the restaurant

Even with the advent of computers, the telephone is still arguably the most significant communications device of the last century, and, in the case of restaurants, an indispensable tool for successful operations. Yet, over the past several decades, the telephone had come to be seen as decidedly "low-tech," especially when compared with the rapid advancements of the computer, sophisticated order taking software or high end

kitchen devices. In addition, no truly cost-effective, telephone-based communications solution had been available for businesses; a centralized model was always too expensive and complex, and piece-part solutions too difficult to integrate.

But in recent years, as significant advances in telephony have enabled the telephone to “catch up” with the rest of today’s advanced technologies, so too have phone *systems* finally become an enabling tool for restaurants to improve their operations.

The return of customer service

Forward-thinking restaurants will want to reconsider the telephone as part of their service strategy, and see it for what it truly is: is a critical, and often used, channel for customer inquiry.

At its most basic level, a restaurant telephone system can identify and intelligently route and queue calls that come into the restaurant. This means segregating calls that may be better handled by automated systems, for such inquiries as directions, hours, current marketing activities. Transfers to other extensions such as carry-out or banquets, or even to other locations, such as an offsite catering office, can also be automated. Optionally, customers can call in at any time of day to reconfirm or cancel reservations without needing to speak to a live operator. Not only that, such systems allow restaurant executives to easily monitor and change scripts when required—at one restaurant, or across hundreds.

Automated transfers can also use speech recognition technology, to improve the caller experience further. In addition, high-priority customers can be identified, allowing their immediate connection to the appropriate person.

Controlling costs

In today’s challenging economic conditions, the need to control costs goes hand-in-hand with increasing volumes. Newer technology has made it possible to consolidate multiple servers and applications onto a single platform, enabling restaurants to reduce their equipment and operational costs significantly. In addition, automating such processes as reservation requests can also save time and money over the course of a reporting period.

Optimizing management

As important as intelligently directing incoming calls is the need to *track* such calls, to give management greater visibility into patterns of usage. And, this functionality should be completely automated, because restaurants should not have to become systems experts to deliver to management the information they need to make informed business decisions. What about, for example, customers who abandon calls, after spending too long on hold? This time period can be analyzed, so that managers are notified at a certain interval if customers are on hold too long.

Technology trends

Today’s largely open technology standards often mean that multiple vendors, multiple products, and multiple technologies share space in a communications system. This can make integration and management difficult and operations unnecessarily cumbersome and expensive.

But within this environment, current technology trends include integrated solutions that converged voice and data technologies to achieve the functionality of powerful PBX systems and high-end call centers for a fraction of the cost. These technologies can simplify deployment, administration, and service without requiring onsite skilled technical personnel. Restaurants can take advantage of low-cost, high-bandwidth lines

to increase network communications and support custom applications—exchanging information with headquarters, other restaurant branches, and customers—while holding down overhead. And, headquarters can remotely monitor and manage the systems, for convenient changes, reporting, diagnostics, and service.

The Vertical Integrated Communications Platform

The Vertical solution for restaurants provides a simple, effective, and efficient way to manage a restaurant communications network. It is designed to enhance, and make more productive, a restaurant's telephone operations. The system allows centralized resources to schedule, monitor, and track system software upgrades and application changes from a single location, greatly increasing control over restaurant systems while lowering administration and management costs.

With the Vertical Integrated Communications Platform, a restaurant can automate call handling and intelligently route calls, both within restaurants, to regional catering offices, or to headquarters. The system can automate both inbound calling tasks like providing directions or reconfirming/canceling reservations and it can automate outbound calling tasks like sending scheduled reservation reminders. It can also provide reporting on customized marketing and promotional campaigns by region or location. And it allows much more visibility into caller behavior, providing new business intelligence on automated choices callers make, when calls are abandoned, and how long callers are on hold.

The Vertical solution is built on an advanced, standards-based architecture that enables restaurants to select the system functionality that best fits their current needs, while also setting the stage for newer applications like self-service response with speech recognition that can enhance their competitive edge. The strengths of the Vertical system—cost-effectiveness, reliability, and simplicity of installation, maintenance, and administration—can provide an advantage for today's forward-looking restaurateurs, where powerful and flexible converged voice and data communications make sense for even the smallest of restaurants.

Conclusion

As restaurants seek to improve margins and increase volume in this economy, they are increasingly looking to ways to bring in more business without having to add new restaurants. With a limited dining room floor and limited hours, the best way of doing that is to take on carry-out and make sure their banquet facilities are utilized as much as possible. The restaurant's telephone system, long neglected as a communications tool, offers a powerful, untapped resource for achieving this objective.

Building on integrated communications platforms such as that offered by Vertical, it is possible today to significantly improve the experience both of callers to a restaurant, and customers *at* the restaurant, with new call handling techniques. This "intelligent customer service"—with automated answering and intelligent call routing, within restaurants and to other facilities—is built on a variety of smart business processes that result in higher staff efficiencies, greater management visibility into processes, and better overall use of resources.

For more information about Vertical or its products, visit the company's Web site at www.vertical.com or call 408-523-9700.

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